LOCAL GOVERNMENT SERVICES DIVISION

Assessment Bulletin

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ASSET News

At the Alberta Assessors' Association convention in April, an *ASSET News* representative asked some assessors for their comments on the move to the ASSET (Assessment Shared Services Environment) system. Here is one assessor's observation based on his experience working on the system over the past year.

> "It's a learning curve for everybody, including the department, assessors, and the IT people. So you need to go into the loading process with an open mind, and work with it and play with it a bit. It's not going to work a hundred percent the first time. You also need to keep in mind that there are varying levels of knowledge and computerization among municipalities.
>
> "People should probably expect to have to do multiple loads. It took us two loads to submit our annual return and IOV data. Rocky View performed our first successful load back in late October/early November."
>
> "I've been impressed working with Sandy Husar and John Scott from Municipal Affairs. They've been quite helpful. If they couldn't answer my question directly, they talked to the IT people to get an answer. Todd Brasseur from Compass Municipal Services (also the working committee) has been quite helpful."
>
> - Brian Waters, Assessor, Municipal District of Rocky View

This edition of *ASSET News* is intended to answer some of the questions that assessors have been asking about the steps involved in the 2004 annual audit process. It is also intended to provide chief municipal administrators with information about the process that is in place for 2004.

Alberta
MUNICIPAL AFFAIRS

2004 Annual Audit Stage 1

- **Question:** What does the municipality and appointed assessor need to do to complete the 2004 annual return data load?

The process outlined in this bulletin is in place for 2004.

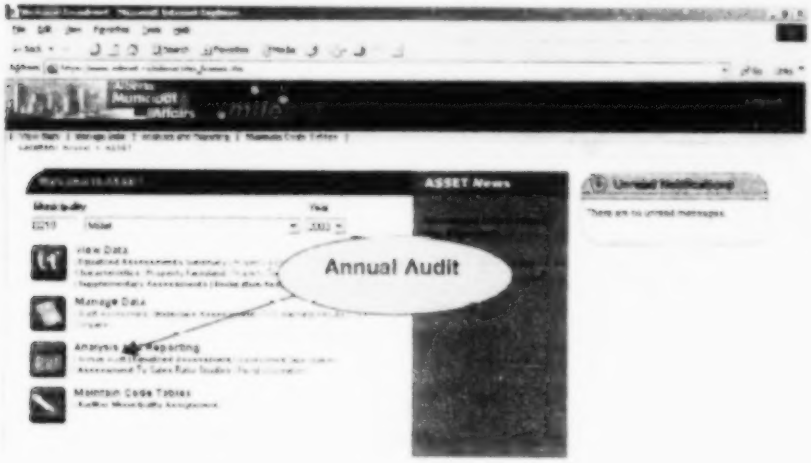
Answer: Once a municipality successfully loads and completes its indicator of value and annual return submissions into the ASSET system, it should run the annual audit ratio study test, which is now available to users in ASSET. This test is a requirement of the Alberta Assessment Quality Minister's Guidelines.

This process acknowledges that the audit process follows the preparation of the municipality's assessment roll.

Starting now, ASSET users can initiate the Annual Audit Stage 1 test by selecting the Annual Audit function in the Analysis and Reporting menu in ASSET, as shown on the screen below. At a future date, the Annual Audit Stage 1 test will run automatically when an assessor submits the municipality's annual return data.

Note: Since the annual audit ratio study test is available in ASSET, the Assessment Services Branch (ASB) is no longer running the test for ASSET users or notifying them of the results. Rather, the municipality's appointed assessor will run the test in ASSET, and the program will generate a report that includes the test result.

However, for those municipalities that are using the alternate reporting process, the ASB will run the audit test and return the results to the municipality's assessor by e-mail.



- **Question:** What is the Annual Audit Stage 1?

Answer: The Annual Audit Stage 1 test uses the municipality's data submissions to determine whether they meet the quality standards set out in the Matters Relating to Assessment and Taxation Regulation (MRAT).

The Stage 1 test calculates the median assessment ratios and the coefficient of dispersion for each actual use group and value range strata. These calculations indicate whether the municipality's assessments for the strata meet the standards.

The ASSET system generates an Assessment Ratio Study Summary Report that indicates the results of the calculations to users. The report also indicates whether the quality standards set out in MRAT have been met.

- **Question:** What happens after the municipality's submission passes the Annual Audit Stage 1 test?

  Answer: The municipality's assessor will submit an annual declaration according to sections 2.5(a) and (b) of the Alberta Assessment Quality Minister's Guidelines.

  The legislated date to complete the annual declaration has been extended to June 1 for this year.

- **Question:** What if the municipality's submissions do not pass the Stage 1 test?

  Answer: Prior to June 1, the assessor can review the data to ensure that the municipality's submissions are complete and accurate. For example, were sales from a three-year period included, or were appropriate time adjustment factors applied? If the data load passes the Annual Audit Stage 1 test after any corrections are made, the assessor can move to the declaration stage.

  If the submissions still do not pass the Annual Audit Stage 1 test, by June 1, an auditor from the ASB may complete the test using whatever information is appropriate. The auditor will then notify the municipality's assessor to proceed with the declaration phase in accordance with section 2.5(c) of the Alberta Assessment Quality Minister's Guidelines.

  Note: The annual declaration stage will be outlined in the next *ASSET News*.

Note. This year the annual audit process is being conducted after municipalities have prepared the assessment rolls.

As such, in 2004, a municipality's assessor is not expected to change the reported assessments that were entered on the municipal assessment roll in order to pass the Annual Audit Stage 1 test.

- **Question:** Is the Annual Audit Stage 1 test complete after the assessor provides the declarations to the Assessment Services Branch?

  Answer: Yes. The Annual Audit Stage 1 is regarded as complete when the ASB receives the annual declaration form completed in accordance with section 2.5(b) or 2.5(c) of the Alberta Assessment Quality Minister's Guidelines.

- **Question:** Are municipalities required to provide a manually prepared assessment return form this year?

  Answer: The department has not requested the manually prepared assessment return forms this year. However, a municipality that wishes to use the form for their own purposes can obtain one by contacting Ms. Pat Chelen of the ASB at (780) 422-8406.